SLS 16RS-959

ORIGINAL

2016 Regular Session

SENATE BILL NO. 433

BY SENATOR MORRELL

BONDS. Provides for the activities and responsibilities of the State Bond Commission. (8/1/16)

1	AN ACT
2	To amend and reenact R.S. 39:1401(C), 1405.4(E) and (F), 1410.60(A) and R.S.
3	42:19(A)(1)(b)(ii)(cc), to enact R.S. 39:1405.5, and to repeal R.S. 47:1405.4(G) and
4	(H), relative to the State Bond Commission; to provide for selection of the chairman
5	of the State Bond Commission; to provide relative to reporting requirements; to
6	provide for approval guidelines; to provide relative to certain voting requirements;
7	and to provide for related matters.
8	Be it enacted by the Legislature of Louisiana:
9	Section 1. R.S. 39:1401(C), 1405.4(E) and (F), and 1410.60(A) are hereby amended
10	and reenacted and R.S. 39:1405.5 is enacted to read as follows:
11	§1401. State Bond Commission
12	* * *
13	C. The state treasurer shall serve as chairman of the State Bond Commission
14	shall be elected by a majority vote of the members of the State Bond
15	Commission, and the State Bond Commission may select such other officers as the
16	commission may deem necessary.
17	* * *

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§1405.4. Costs of issuance and reporting requirements

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E. If the total actual costs of issuance exceed the total approved costs of issuance or the actual costs of issuance in any line item exceed the approved costs of issuance by a variance of ten percent or more, the issuer shall obtain supplemental approval of the State Bond Commission prior to paying any individual item in excess of the approved costs of issuance.

8 F. In addition to the other reporting requirements set forth in this Section, any 9 fees which are associated with the bonds and which are incurred after the forty-five 10 day period following issuance and delivery of the bonds, including but not limited 11 to legal, consulting, and financial advisory fees, and fees associated with credit 12 enhancement or derivative projects obtained post-closing, shall be estimated and presented to the issuer and the State Bond Commission. A final report of the actual 13 14 fees paid shall be furnished to the issuer and the State Bond Commission within 15 forty-five days of the payment.

16 G.E. A copy of any report required by this Section shall be filed in the
17 official records of the issuer.

H.F. Any person or any officer, agent, representative, or employee of any
issuer of bonds required by the constitution or laws of Louisiana to be sold or
approved by the State Bond Commission, who violates this Section, or who counsels,
aids, or abets the violation thereof, or who participates with others, or who engages
or attempts to engage, in the payment or receipt of any fee, without filing the reports
required herein, shall be fined not less than two times the fee received in violation
of this Section, which penalty shall be paid to the State Bond Commission.

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§1405.5. Prohibition against soliciting or accepting contributions

26The chairman of the State Bond Commission shall be prohibited from27soliciting or receiving any campaign contribution, loans, or transfers of funds28from any bond or other counsel, financial adviser, paying agent, registrar, or29other professional or persons retained in connection with or requesting the

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1	authority to incur debt or levy taxes from the date of the application being filed
2	until a period of one month after the State Bond Commission has, at a regular
3	or special meeting, approved or disapproved such matter.
4	* * *
5	§1410.60. Approval of application; incurring indebtedness
6	A.(1) No parish, municipality, public board, political or public corporation
7	subdivision, or taxing district, and no road or subroad district, school district,
8	sewerage district, drainage or subdrainage district, levee district, waterworks or
9	subwaterworks district, irrigation district, road lighting district, harbor and terminal
10	district, or any other political subdivision, taxing district, political or public
11	corporation, created under or by the constitution and laws of the state shall have
12	authority to borrow money, incur debt, or to issue bonds, or other evidences of debt
13	or to levy taxes, or to pledge uncollected taxes or revenues for the payment thereof
14	where they are authorized by the constitution or laws of the state so to do, without
15	the consent and approval of the State Bond Commission.
16	(2) In order to facilitate the review process for approval of applications
17	the State Bond Commission shall adopt rules and regulations to provide for a
18	review procedure that is limited strictly to determining the legality and the
19	financial feasability of the requested measure.
20	* * *
21	Section 2. R.S. 42:19(A)(1)(b)(ii)(cc) is hereby amended and reenacted to read as
22	follows:
23	§19. Notice of meetings
24	A.(1) * * * *
25	(b)(i) * * * *
26	(ii)(aa) * * * *
27	(cc) Upon unanimous approval of the members present at a meeting of a
28	public body, the public body may take up a matter not on the agenda. However, a
29	majority of the members present at a meeting of the State Bond Commission

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1	may approve the commission taking up a matter not on the agenda. Any such
2	matter shall be identified in the motion to take up the matter not on the agenda with
3	reasonable specificity, including the purpose for the addition to the agenda, and
4	entered into the minutes of the meeting. Prior to any vote on the motion to take up
5	a matter not on the agenda by the public body, there shall be an opportunity for
6	public comment on any such motion in accordance with R.S. 42:14 or 15. The public
7	body shall not use its authority to take up a matter not on the agenda as a subterfuge
8	to defeat the purposes of this Chapter.
9	* * *
10	Section 3. R.S. 47:1405.4(G) and (H) are hereby repealed.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by James Benton.

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Morrell

<u>Present law</u> provides that the state treasurer shall serve as chairman of the State Bond Commission, and the State Bond Commission may select such other officers as the commission may deem necessary.

<u>Proposed law</u> changes <u>present law</u> by providing that the chairman of the State Bond Commission shall be elected by a majority vote.

<u>Present law</u> provides that if the total actual costs of issuance exceed the total approved costs of issuance or the actual costs of issuance in any line item exceed the approved costs of issuance by a variance of 10% or more, the issuer shall obtain supplemental approval of the State Bond Commission prior to paying any individual item in excess of the approved costs of issuance.

Proposed law removes this provision.

<u>Present law</u> provides that in addition to the other reporting requirements set forth in <u>present</u> <u>law</u>, any fees which are associated with the bonds and which are incurred after the 45 day period following issuance and delivery of the bonds, including but not limited to legal, consulting, and financial advisory fees, and fees associated with credit enhancement or derivative projects obtained post-closing, shall be estimated and presented to the issuer and the State Bond Commission. A final report of the actual fees paid shall be furnished to the issuer and the State Bond Commission within 45 days of the payment.

Proposed law removes this provision.

<u>Proposed law</u> provides that the chairman of State Bond Commission shall be prohibited from soliciting or receiving any campaign contribution, loans, or transfers of funds from any bond or other counsel, financial advisor, paying agent, registrar, or other professional or persons retained in connection with or requesting the authority to incur debt or levy taxes from the date of the application being filed until a period of one month after the State Bond Commission has, at a regular or special meeting, approved or disapproved such matter.

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<u>Proposed law</u> provides that in order to facilitate the review process for approval of applications the State Bond Commission shall adopt rules and regulations to provide for a review procedure that is limited strictly to determine the legality and the financial feasability of the requested measure.

<u>Present law</u> provides that upon unanimous approval of the members present at a meeting of a public body, the public body may take up a matter not on the agenda.

<u>Proposed law</u> retains <u>present law</u> but provides an exception for the State Bond Commission by allowing a majority of the members present at a meeting of the commission to approve the commission taking up a matter not on the agenda.

Effective August 1, 2016.

(Amends R.S. 39:1401(C), 1405.4(E) and (F), 1410.60 (A) and R.S. 42:19(A)(1)(b)(ii)(cc); adds R.S. 39:1405.5; repeals R.S. 47:1405.4(G) and (H))